

Exhibit 3 to Disclosure Statement

Projections

INCOME STATEMENTS							
	Actual	Annualized	Year				
	1st QTR 2011		1	2	3	4	5
Revenue							
Contract Drilling Revenue	\$ 6,800,000	\$ 26,198,889	\$ 26,058,263	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406
Total Revenue	6,800,000	26,198,889	26,058,263	21,619,406	21,619,406	21,619,406	21,619,406
Costs of Goods Sold							
Labor	2,170,039	8,800,714	8,742,547	6,994,038	6,994,038	6,994,038	6,994,038
Burden (Fringe, Tax, Work. Comp. and Per DEIM)	849,341	3,444,550	3,421,450	2,737,160	2,737,160	2,737,160	2,737,160
Repairs/Supplies/Shop/Safety	709,146	2,875,981	2,855,986	2,284,788	2,284,788	2,284,788	2,284,788
Insurance	80,914	328,151	326,390	326,390	326,390	326,390	326,390
Rentals	183,826	745,517	741,879	593,503	593,503	593,503	593,503
Property Tax	109,500	444,083	441,700	441,700	441,700	441,700	441,700
Total Cost of Goods Sold	4,102,766	16,638,995	16,529,951	13,377,578	13,377,578	13,377,578	13,377,578
Gross Profit							
Gross Profit %	2,697,234	9,559,893	9,528,312	8,241,828	8,241,828	8,241,828	8,241,828
	40%	36%	37%	38%	38%	38%	38%
SG&A Expense	618,316	2,507,615	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
EBITDA	2,078,918	7,052,279	6,828,312	5,541,828	5,541,828	5,541,828	5,541,828
	31%	27%	26%	26%	26%	26%	26%
EBITDA Margin							
Depreciation & Amortization	917,710	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Operating Income	1,161,208	4,452,279	4,228,312	2,941,828	2,941,828	2,941,828	2,941,828
Other Income / (Expense)							
Restructuring Expense	(207,646)	(550,000)	-	-	-	-	-
Extraordinary Expense (mobilization, top drive)	(1,859,117)	-	-	-	-	-	-
Interest Expense	(45,629)	(185,051)	(247,730)	(247,730)	(247,730)	(247,730)	(247,730)
Other Revenue (Top Drive, Turnkey...)	984,995						
Interest Income	119	476	65,000	119,000	173,000	225,000	276,000
Total Other Income (Expense)	(1,127,278)	(734,575)	(182,730)	(128,730)	(74,730)	(22,730)	28,270
Income Before Income Tax	33,930	3,717,704	4,045,582	2,813,098	2,867,098	2,919,098	2,970,098
Income Taxes (39%)		(1,449,904)	(1,577,777)	(1,097,108)	(1,118,168)	(1,138,448)	(1,158,338)
Net Income	\$ 33,930	\$ 2,267,799	\$ 2,467,805	\$ 1,715,990	\$ 1,748,930	\$ 1,780,650	\$ 1,811,760

INCOME STATEMENTS

	Year	Year	Year	Year	Year
	6	7	8	9	10
Revenue					
Contract Drilling Revenue	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406
Total Revenue	<u>21,619,406</u>	<u>21,619,406</u>	<u>21,619,406</u>	<u>21,619,406</u>	<u>21,619,406</u>
Costs of Goods Sold					
Labor	6,994,038	6,994,038	6,994,038	6,994,038	6,994,038
Burden (Fringe, Tax, Work Comp. and Per DEIM)	2,737,160	2,737,160	2,737,160	2,737,160	2,737,160
Repairs/Supplies/Shop/Safety	2,284,788	2,284,788	2,284,788	2,284,788	2,284,788
Insurance	326,390	326,390	326,390	326,390	326,390
Rentals	593,503	593,503	593,503	593,503	593,503
Property Tax	441,700	441,700	441,700	441,700	441,700
Total Cost of Goods Sold	<u>13,377,578</u>	<u>13,377,578</u>	<u>13,377,578</u>	<u>13,377,578</u>	<u>13,377,578</u>
Gross Profit	<u>8,241,828</u>	<u>8,241,828</u>	<u>8,241,828</u>	<u>8,241,828</u>	<u>8,241,828</u>
Gross Profit %	38%	38%	38%	38%	38%
SG&A Expense	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,700,000</u>
EBITDA	<u>5,541,828</u>	<u>5,541,828</u>	<u>5,541,828</u>	<u>5,541,828</u>	<u>5,541,828</u>
EBITDA Margin	26%	26%	26%	26%	26%
Depreciation & Amortization	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>
Operating Income	<u>2,941,828</u>	<u>2,941,828</u>	<u>2,941,828</u>	<u>2,941,828</u>	<u>2,941,828</u>
Other Income / (Expense)					
Restructuring Expense	-	-	-	-	-
Extraordinary Expense (mobilization, top drive)	(247,730)	(247,730)	(247,730)	(247,730)	(247,730)
Interest Expense	328,000	380,000	431,000	483,000	535,000
Other Revenue (Top Drive, Turnkey...)					
Interest Income	80,270	132,270	183,270	235,270	287,270
Total Other Income (Expense)	<u>3,022,098</u>	<u>3,074,098</u>	<u>3,125,098</u>	<u>3,177,098</u>	<u>3,229,098</u>
Income Before Income Tax	<u>(1,178,618)</u>	<u>(1,198,898)</u>	<u>(1,218,788)</u>	<u>(1,239,068)</u>	<u>(1,259,348)</u>
Income Taxes (39%)	<u>\$ 1,843,480</u>	<u>\$ 1,875,200</u>	<u>\$ 1,906,310</u>	<u>\$ 1,938,030</u>	<u>\$ 1,969,750</u>
Net Income	<u>\$ 1,843,480</u>	<u>\$ 1,875,200</u>	<u>\$ 1,906,310</u>	<u>\$ 1,938,030</u>	<u>\$ 1,969,750</u>

Performance Drilling Debtors In Possession
Cases 10-01851 and 10-01852
Unsecured Alternative

BALANCE SHEETS Current Assets	05/31/211	Projected	Year			
			1	2	3	4
Cash	\$ 3,404,814	\$ 2,554,814	\$ 2,554,814	\$ 2,554,814	\$ 2,554,814	\$ 2,554,814
Restricted Cash	10,311	-	-	-	-	-
Debt Service Account WSB			726,893	1,243,097	1,634,498	2,034,576
Debt Service Account S. Deb.			3,444,686	6,257,565	8,912,094	11,602,665
Debt Service Account Sub. Deb.			-	-	-	-
Accounts Receivable, Net	6,336,875	6,336,875	5,354,438	4,442,344	4,442,344	4,442,344
Inventories	140,622	140,622	71,500	71,500	71,500	71,500
Prepaid & Other Current	1,030,293	1,030,293	909,293	909,293	909,293	909,293
Total Current Assets	10,922,915	10,062,604	13,061,623	15,478,613	18,524,543	21,615,192
Drilling Rigs and Related Equipment, Net	33,442,231	26,580,000	25,230,000	23,880,000	22,530,000	21,180,000
Other Assets, Net	2,916,016	2,824,500	2,864,500	2,904,500	2,944,500	2,984,500
Total Noncurrent Assets	36,358,247	29,404,500	28,094,500	26,784,500	25,474,500	24,164,500
Total Assets	\$ 47,281,162	\$ 39,467,104	\$ 41,156,123	\$ 42,263,113	\$ 43,999,043	\$ 45,779,692
Current Liabilities						
Accounts Payable	\$ 1,867,372	\$ 1,893,284	\$ 1,500,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000
Accrued Expenses	701,502	701,502	700,000	625,000	625,000	625,000
Property Taxes						
Notes Payable	135,891	216,000	192,000	168,000	155,000	155,000
Total Current Liabilities	2,704,765	2,810,786	2,392,000	2,143,000	2,130,000	2,130,000
Unsecured Plan Debt						
AP	1,016,499	1,016,499	656,499	296,499	296,499	296,499
Octane	4,108,100	-	-	-	-	-
Senior Debentures Series 2009A	28,361,238	25,955,000	25,955,000	25,955,000	25,955,000	25,955,000
Subordinate Debentures Series 2009B	8,605,564	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000
Note Payable Sajac	289,457	-	-	-	-	-
Total Unsecured	42,380,858	34,581,499	34,221,499	33,861,499	33,861,499	33,861,499
Debt Instruments						
Bank Debt	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177
Total Debt	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177
Shareholders' Equity						
Member Equity	(2,308,638)	(2,429,358)	38,447	1,754,437	3,503,367	5,284,016
Total Net Assets	(2,308,638)	(2,429,358)	38,447	1,754,437	3,503,367	5,284,016
Total Liabilities & Equity	\$ 47,281,162	\$ 39,467,104	\$ 41,156,123	\$ 42,263,113	\$ 43,999,043	\$ 45,779,692

Performance Drilling Debtors In Possession
Cases 10-01851 and 10-01852
Unsecured Alternative

BALANCE SHEETS	Year	Year	Year	Year	Year	Year
Current Assets	5	6	7	8	9	10
Cash	\$ 2,554,814	\$ 2,554,814	\$ 2,554,814	\$ 2,554,814	\$ 2,554,814	\$ 2,554,814
Restricted Cash	-	-	-	-	-	-
Debt Service Account WSB	2,440,692	2,852,963	3,271,389	3,695,851	4,126,469	4,504,177
Debt Service Account S. Deb.	14,318,310	17,059,519	19,826,293	22,618,140	25,435,551	25,955,000
Debt Service Account Sub. Deb.	-	-	-	-	-	2,382,593
Accounts Receivable, Net	4,442,344	4,442,344	4,442,344	4,442,344	4,442,344	4,442,344
Inventories	71,500	71,500	71,500	71,500	71,500	71,500
Prepaid & Other Current	909,293	909,293	909,293	909,293	909,293	909,293
Total Current Assets	24,736,952	27,890,432	31,075,632	34,291,942	37,539,972	40,819,721
Drilling Rigs and Related Equipment, Net	19,830,000	18,480,000	17,130,000	15,780,000	14,430,000	13,080,000
Other Assets, Net	3,024,500	3,064,500	3,104,500	3,144,500	3,184,500	3,224,500
Total Noncurrent Assets	22,854,500	21,544,500	20,234,500	18,924,500	17,614,500	16,304,500
Total Assets	\$ 47,591,452	\$ 49,434,932	\$ 51,310,132	\$ 53,216,442	\$ 55,154,472	\$ 57,124,221
Current Liabilities						
Accounts Payable	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000
Accrued Expenses	625,000	625,000	625,000	625,000	625,000	625,000
Property Taxes	-	-	-	-	-	-
Notes Payable	155,000	155,000	155,000	155,000	155,000	155,000
Total Current Liabilities	2,130,000	2,130,000	2,130,000	2,130,000	2,130,000	2,130,000
Unsecured Plan Debt						
AP	296,499	296,499	296,499	296,499	296,499	296,499
Octane	-	-	-	-	-	-
Senior Debentures Series 2009A	25,955,000	25,955,000	25,955,000	25,955,000	25,955,000	25,955,000
Subordinate Debentures Series 2009B	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000
Note Payable Sajac	-	-	-	-	-	-
Total Unsecured	33,861,499	33,861,499	33,861,499	33,861,499	33,861,499	33,861,499
Debt Instruments						
Bank Debt	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177
Total Debt	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177
Shareholders' Equity						
Member Equity	7,095,776	8,939,256	10,814,456	12,720,766	14,658,796	16,628,545
Total Net Assets	7,095,776	8,939,256	10,814,456	12,720,766	14,658,796	16,628,545
Total Liabilities & Equity	\$ 47,591,452	\$ 49,434,932	\$ 51,310,132	\$ 53,216,442	\$ 55,154,472	\$ 57,124,221

Performance Drilling Debtors In Possession
Cases 10-01851 and 10-01852
Unsecured Alternative

STATEMENTS OF CASH FLOWS

Operating Activities

	Actual 1st QTR 2011	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income	\$ 33,930	\$ 2,467,805	\$ 1,715,990	\$ 1,748,930	\$ 1,780,650	\$ 1,811,760
Depreciation & Amortization	917,710	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Accounts Receivable	(1,923,189)	982,438	912,094	-	-	-
Inventory	213,527	69,122	-	-	-	-
Prepaid and Other	(486,952)	121,000	-	-	-	-
Accounts Payable	1,260,471	(393,284)	(150,000)	-	-	-
Accrued Expenses	72,739	(1,502)	(75,000)	-	-	-
Sales Tax Payable	12,119	-	-	-	-	-
Amortized OID Interest	39,998	-	-	-	-	-
Net Cash Flows from Operating Activities	140,353	5,845,579	5,003,084	4,348,930	4,380,650	4,411,760

Investing Activities

Decrease in Restricted Cash	-	-	-	-	-	-
Transportation and Other Equipment	-	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Drilling Equipment	188,700	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
Net Cash Flows from Investing Activities	188,700	(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)

Financing Activities

Note Payable-Trucks	(5,696)	(24,000)	(24,000)	(13,000)	-	-
Note Payable-Insurance	(225,106)	-	-	-	-	-
WSB	-	(726,893)	(516,204)	(391,401)	(400,079)	(406,115)
Note Payable-Senior Debentures Series 2009B	-	(3,444,686)	(2,812,880)	(2,654,529)	(2,690,571)	(2,715,644)
Note Payable-Subordinate Debentures Series 2009B	-	-	-	-	-	-
Accounts Payable/Accruals	-	(360,000)	(360,000)	-	-	-
Net Cash Flows from Financing Activities	(230,802)	(4,555,579)	(3,713,084)	(3,058,930)	(3,090,650)	(3,121,760)

Net Change in Cash

	98,251	-	-	-	-	-
Beginning Cash	2,997,580	2,554,814	2,554,814	2,554,814	2,554,814	2,554,814
Ending Cash	<u>\$ 3,095,831</u>	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>

STATEMENTS OF CASH FLOWS

Operating Activities

	Year 6	Year 7	Year 8	Year 9	Year 10
Net Income	\$ 1,843,480	\$ 1,875,200	\$ 1,906,310	\$ 1,938,030	\$ 1,969,750
Depreciation & Amortization	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Accounts Receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid and Other	-	-	-	-	-
Accounts Payable	-	-	-	-	-
Accrued Expenses	-	-	-	-	-
Sales Tax Payable	-	-	-	-	-
Amortized OID Interest	-	-	-	-	-

Net Cash Flows from Operating Activities

	4,443,480	4,475,200	4,506,310	4,538,030	4,569,750
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Investing Activities

Decrease in Restricted Cash	-	-	-	-	-
Transportation and Other Equipment	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Drilling Equipment	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
Net Cash Flows from Investing Activities	(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)

Financing Activities

Note Payable-Trucks	-	-	-	-	-
Note Payable-Insurance	-	-	-	-	-
WSB	(412,271)	(418,426)	(424,463)	(430,618)	(377,708)
Note Payable-Senior Debentures Series 2009B	(2,741,209)	(2,766,774)	(2,791,847)	(2,817,412)	(519,449)
Note Payable-Subordinate Debentures Series 2009B	-	-	-	-	(2,382,593)
Accounts Payable/Accruals	-	-	-	-	-

Net Cash Flows from Financing Activities

	(3,153,480)	(3,185,200)	(3,216,310)	(3,248,030)	(3,279,750)
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Net Change in Cash

	-	-	-	-	-
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Beginning Cash
Ending Cash

	2,554,814	2,554,814	2,554,814	2,554,814	2,554,814
	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>	<u>\$ 2,554,814</u>

		Year				
		1	2	3	4	5
INCOME STATEMENTS						
Revenue						
Contract Drilling Revenue		\$ 26,058,263	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406
Total Revenue		26,058,263	21,619,406	21,619,406	21,619,406	21,619,406
Costs of Goods Sold						
Labor		8,742,547	6,994,038	6,994,038	6,994,038	6,994,038
Burden (Fringe, Tax, Work, Comp. and Per DEIM)		3,421,450	2,737,160	2,737,160	2,737,160	2,737,160
Repairs/Supplies/Shop/Safety		2,855,986	2,284,788	2,284,788	2,284,788	2,284,788
Insurance		326,390	326,390	326,390	326,390	326,390
Rentals		741,879	593,503	593,503	593,503	593,503
Property Tax		441,700	441,700	441,700	441,700	441,700
Total Cost of Goods Sold		16,529,951	13,377,578	13,377,578	13,377,578	13,377,578
Gross Profit						
Gross Profit %		37%	38%	38%	38%	38%
SG&A Expense		2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
EBITDA		6,828,312	5,541,828	5,541,828	5,541,828	5,541,828
EBITDA Margin		26%	26%	26%	26%	26%
Depreciation & Amortization		2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Operating Income		4,228,312	2,941,828	2,941,828	2,941,828	2,941,828
Other Income / (Expense)						
Restructuring Expense	(207,646)					
Extraordinary Expense (mobilization, top drive)	(1,859,117)					
Interest Expense	(45,629)	(1,545,480)	(1,545,480)	(1,545,480)	(1,545,480)	(1,545,480)
Other Revenue (Top Drive, Turnkey...)	984,995					
Interest Income	119	58,000	98,000	138,000	176,000	214,000
Total Other Income (Expense)	(1,127,278)	(1,487,480)	(1,447,480)	(1,407,480)	(1,369,480)	(1,331,480)
Income Before Income Tax	33,930	2,740,832	1,494,348	1,534,348	1,572,348	1,610,348
Income Taxes (39%)		(1,068,925)	(582,796)	(598,396)	(613,216)	(628,036)
Net Income	\$ 33,930	\$ 1,671,908	\$ 911,552	\$ 935,952	\$ 959,132	\$ 982,312

Actual 1st QTR 2011	Annualized					
\$ 6,800,000	\$ 26,198,889	\$ 26,058,263	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406
6,800,000	26,198,889	26,058,263	21,619,406	21,619,406	21,619,406	21,619,406
2,170,039	8,800,714	8,742,547	6,994,038	6,994,038	6,994,038	6,994,038
849,341	3,444,550	3,421,450	2,737,160	2,737,160	2,737,160	2,737,160
709,146	2,875,981	2,855,986	2,284,788	2,284,788	2,284,788	2,284,788
80,914	328,151	326,390	326,390	326,390	326,390	326,390
183,826	745,517	741,879	593,503	593,503	593,503	593,503
109,500	444,083	441,700	441,700	441,700	441,700	441,700
4,102,766	16,638,995	16,529,951	13,377,578	13,377,578	13,377,578	13,377,578
2,697,234	9,559,893	9,528,312	8,241,828	8,241,828	8,241,828	8,241,828
40%	36%	37%	38%	38%	38%	38%
618,316	2,507,615	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
2,078,918	7,052,279	6,828,312	5,541,828	5,541,828	5,541,828	5,541,828
31%	27%	26%	26%	26%	26%	26%
917,710	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
1,161,208	4,452,279	4,228,312	2,941,828	2,941,828	2,941,828	2,941,828
(207,646)	(550,000)					
(1,859,117)	-					
(45,629)	(185,051)	(1,545,480)	(1,545,480)	(1,545,480)	(1,545,480)	(1,545,480)
984,995						
119	476	58,000	98,000	138,000	176,000	214,000
(1,127,278)	(734,575)	(1,487,480)	(1,447,480)	(1,407,480)	(1,369,480)	(1,331,480)
33,930	3,717,704	2,740,832	1,494,348	1,534,348	1,572,348	1,610,348
	(1,449,904)	(1,068,925)	(582,796)	(598,396)	(613,216)	(628,036)
\$ 33,930	\$ 2,267,799	\$ 1,671,908	\$ 911,552	\$ 935,952	\$ 959,132	\$ 982,312

INCOME STATEMENTS

	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue					
Contract Drilling Revenue	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406	\$ 21,619,406
Total Revenue	21,619,406	21,619,406	21,619,406	21,619,406	21,619,406
Costs of Goods Sold					
Labor	6,994,038	6,994,038	6,994,038	6,994,038	6,994,038
Burden (Fringe, Tax, Work. Comp. and Per DEIM)	2,737,160	2,737,160	2,737,160	2,737,160	2,737,160
Repairs/Supplies/Shop/Safety	2,284,788	2,284,788	2,284,788	2,284,788	2,284,788
Insurance	326,390	326,390	326,390	326,390	326,390
Rentals	593,503	593,503	593,503	593,503	593,503
Property Tax	441,700	441,700	441,700	441,700	441,700
Total Cost of Goods Sold	13,377,578	13,377,578	13,377,578	13,377,578	13,377,578
Gross Profit	8,241,828	8,241,828	8,241,828	8,241,828	8,241,828
Gross Profit %	38%	38%	38%	38%	38%
SG&A Expense	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
EBITDA	5,541,828	5,541,828	5,541,828	5,541,828	5,541,828
EBITDA Margin	26%	26%	26%	26%	26%
Depreciation & Amortization	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Operating Income	2,941,828	2,941,828	2,941,828	2,941,828	2,941,828
Other Income / (Expense)					
Restructuring Expense	-	-	-	-	-
Extraordinary Expense (mobilization, top drive)	(1,545,480)	(1,545,480)	(1,545,480)	(1,545,480)	(1,545,480)
Interest Expense	-	-	-	-	-
Other Revenue (Top Drive, Turnkey...)	252,000	290,000	327,000	365,000	403,000
Interest Income	(1,293,480)	(1,255,480)	(1,218,480)	(1,180,480)	(1,142,480)
Total Other Income (Expense)	1,648,348	1,686,348	1,723,348	1,761,348	1,799,348
Income Before Income Tax	(642,856)	(657,676)	(672,106)	(686,926)	(701,746)
Income Taxes (39%)	\$ 1,005,492	\$ 1,028,672	\$ 1,051,242	\$ 1,074,422	\$ 1,097,602
Net Income	\$ 1,005,492	\$ 1,028,672	\$ 1,051,242	\$ 1,074,422	\$ 1,097,602

BALANCE SHEETS						
Current Assets	May 31, 2011	Projected	Year 1	Year 2	Year 3	Year 4
Cash	\$ 3,404,814	\$ 2,554,814	\$ 2,406,564	\$ 2,258,315	\$ 2,258,315	\$ 2,258,315
Restricted Cash	10,311	-	-	-	-	-
Debt Service Account WSB			829,234	1,441,164	1,926,634	2,419,125
Debt Service Account S. Deb.			2,546,448	4,459,163	6,206,645	7,983,286
Debt Service Account Sub. Deb.			-	-	-	-
Accounts Receivable, Net	6,336,875	6,336,875	5,354,438	4,442,344	4,442,344	4,442,344
Inventories	140,622	140,622	71,500	71,500	71,500	71,500
Prepaid & Other Current	1,030,293	1,030,293	909,293	909,293	909,293	909,293
Total Current Assets	10,922,915	10,062,604	12,117,476	13,581,779	15,814,731	18,083,863
Drilling Rigs and Related Equipment, Net	33,442,231	27,430,000	26,080,000	24,730,000	23,380,000	22,030,000
Other Assets, Net	2,916,016	1,974,500	2,014,500	2,054,500	2,094,500	2,134,500
Total Noncurrent Assets	36,358,247	29,404,500	28,094,500	26,784,500	25,474,500	24,164,500
Total Assets	\$ 47,281,162	\$ 39,467,104	\$ 40,211,976	\$ 40,366,279	\$ 41,289,231	\$ 42,248,363
Current Liabilities						
Accounts Payable	\$ 1,867,372	\$ 1,893,284	\$ 1,500,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000
Accrued Expenses	701,502	701,502	700,000	625,000	625,000	625,000
Notes Payable	135,891	216,000	192,000	168,000	155,000	155,000
Total Current Liabilities	2,704,765	2,810,786	2,392,000	2,143,000	2,130,000	2,130,000
Unsecured Plan Debt						
AP	1,016,499	1,016,499	508,249	-	-	-
Octane	4,108,100	-	-	-	-	-
Subordinate Debentures Series 2009B	8,605,564	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000
Note Payable Sajac	289,457	-	-	-	-	-
Total Unsecured	14,019,620	8,626,499	8,118,249	7,610,000	7,610,000	7,610,000
Debt Instruments						
Bank Debt	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177
Senior Debentures Series 2009A	28,361,238	25,955,000	25,955,000	25,955,000	25,955,000	25,955,000
Total Debt	32,865,415	30,459,177	30,459,177	30,459,177	30,459,177	30,459,177
Shareholders' Equity						
Member Equity	(2,308,638)	-	1,671,908	2,583,460	3,519,412	4,478,544
Total Net Assets	(2,308,638)	(2,429,358)	(757,450)	154,102	1,090,054	2,049,186
Total Liabilities & Equity	\$ 47,281,162	\$ 39,467,104	\$ 40,211,976	\$ 40,366,279	\$ 41,289,231	\$ 42,248,363

Performance Drilling Debtors In Possession
Cases 10-01851 and 10-01852
Secured Alternative

BALANCE SHEETS						
Current Assets	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash	\$ 2,258,315	\$ 2,258,315	\$ 2,258,315	\$ 2,258,315	\$ 2,258,315	\$ 2,258,315
Restricted Cash	-	-	-	-	-	-
Debt Service Account WSB	2,916,114	3,417,601	3,923,587	4,433,951	4,504,177	4,504,177
Debt Service Account S. Deb.	9,778,610	11,592,615	13,425,302	15,276,180	17,145,739	19,033,980
Debt Service Account Sub. Deb.	-	-	-	-	444,637	963,998
Accounts Receivable, Net	4,442,344	4,442,344	4,442,344	4,442,344	4,442,344	4,442,344
Inventories	71,500	71,500	71,500	71,500	71,500	71,500
Prepaid & Other Current	909,293	909,293	909,293	909,293	909,293	909,293
Total Current Assets	20,376,176	22,691,668	25,030,340	27,391,583	29,776,005	32,183,607
Drilling Rigs and Related Equipment, Net	20,680,000	19,330,000	17,980,000	16,630,000	15,280,000	13,930,000
Other Assets, Net	2,174,500	2,214,500	2,254,500	2,294,500	2,334,500	2,374,500
Total Noncurrent Assets	22,854,500	21,544,500	20,234,500	18,924,500	17,614,500	16,304,500
Total Assets	\$ 43,230,676	\$ 44,236,168	\$ 45,264,840	\$ 46,316,083	\$ 47,390,505	\$ 48,488,107
Current Liabilities						
Accounts Payable	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000
Accrued Expenses	625,000	625,000	625,000	625,000	625,000	625,000
Notes Payable	155,000	155,000	155,000	155,000	155,000	155,000
Total Current Liabilities	2,130,000	2,130,000	2,130,000	2,130,000	2,130,000	2,130,000
Unsecured Plan Debt						
AP	-	-	-	-	-	-
Octane	-	-	-	-	-	-
Subordinate Debentures Series 2009B	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000
Note Payable Sajac	-	-	-	-	-	-
Total Unsecured	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000	7,610,000
Debt Instruments						
Bank Debt	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177	4,504,177
Senior Debentures Series 2009A	25,955,000	25,955,000	25,955,000	25,955,000	25,955,000	25,955,000
Total Debt	30,459,177	30,459,177	30,459,177	30,459,177	30,459,177	30,459,177
Shareholders' Equity						
Member Equity	5,460,857	6,466,349	7,495,021	8,546,264	9,620,686	10,718,288
	(2,429,358)	(2,429,358)	(2,429,358)	(2,429,358)	(2,429,358)	(2,429,358)
Total Net Assets	3,031,499	4,036,991	5,065,663	6,116,906	7,191,328	8,288,930
Total Liabilities & Equity	\$ 43,230,676	\$ 44,236,168	\$ 45,264,840	\$ 46,316,083	\$ 47,390,505	\$ 48,488,107

STATEMENTS OF CASH FLOWS

Operating Activities

	Actual 1st QTR 2011	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income	\$ 33,930	\$ 1,671,908	\$ 911,552	\$ 935,952	\$ 959,132	\$ 982,312
Depreciation & Amortization	917,710	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Accounts Receivable	(1,923,189)	982,438	912,094	-	-	-
Inventory	213,527	69,122	-	-	-	-
Prepaid and Other	(486,952)	121,000	-	-	-	-
Accounts Payable	1,260,471	(393,284)	(150,000)	-	-	-
Accrued Expenses	72,739	(1,502)	(75,000)	-	-	-
Sales Tax Payable	12,119	-	-	-	-	-
Amortized OID Interest	39,998	-	-	-	-	-
Net Cash Flows from Operating Activities	140,353	5,049,681	4,198,646	3,535,952	3,559,132	3,582,312

Investing Activities

Decrease in Restricted Cash	-	-	-	-	-	-
Transportation and Other Equipment	-	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Drilling Equipment	188,700	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
Net Cash Flows from Investing Activities	188,700	(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)

Financing Activities

Note Payable-Trucks	(5,696)	(24,000)	(24,000)	(13,000)	-	-
Note Payable-Insurance	(225,106)	-	-	-	-	-
Note Payable-Parent	-	-	-	-	-	-
WSB DSR	-	(829,234)	(611,931)	(485,470)	(492,491)	(496,989)
Note Payable-Senior Debentures Series 2009B DSR	-	(2,546,448)	(1,912,715)	(1,747,482)	(1,776,641)	(1,795,323)
Note Payable-Subordinate Debentures Series 2009B	-	-	-	-	-	-
Note Payable-Accounts Payable/Accruals	-	(508,250)	(508,249)	-	-	-
Net Cash Flows from Financing Activities	(230,802)	(3,907,931)	(3,056,895)	(2,245,952)	(2,269,132)	(2,292,312)

Net Change in Cash

	98,251	(148,250)	(148,249)	-	-	-
Beginning Cash	2,997,580	2,554,814	2,406,564	2,258,315	2,258,315	2,258,315
Ending Cash	<u>\$ 3,095,831</u>	<u>\$ 2,406,564</u>	<u>\$ 2,258,315</u>	<u>\$ 2,258,315</u>	<u>\$ 2,258,315</u>	<u>\$ 2,258,315</u>

Performance Drilling Debtors In Possession
Cases 10-01851 and 10-01852
Secured Alternative

Year	Year	Year	Year	Year
6	7	8	9	10
\$ 1,005,492	\$ 1,028,672	\$ 1,051,242	\$ 1,074,422	\$ 1,097,602
2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,605,492	3,628,672	3,651,242	3,674,422	3,697,602
(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)	(1,290,000)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(501,487)	(505,985)	(510,365)	(70,226)	-
(1,814,005)	(1,832,687)	(1,850,878)	(1,869,559)	(1,888,241)
-	-	-	(444,637)	(519,361)
-	-	-	-	-
(2,315,492)	(2,338,672)	(2,361,242)	(2,384,422)	(2,407,602)
-	-	-	-	-
2,258,315	2,258,315	2,258,315	2,258,315	2,258,315
\$ 2,258,315	\$ 2,258,315	\$ 2,258,315	\$ 2,258,315	\$ 2,258,315